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# INFORMATION REPORT

~~SECRET~~

COUNTRY Dominican Republic

SUBJECT Dominican Arms Factory

DATE DISTR. 6 MAY 1949

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PLACE  
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(LISTED BELOW)

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DATE OF INFO.

SUPPLEMENT TO  
REPORT NO.

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1. It has been reported that the government small arms plant at San Cristobal, Dominican Republic, is now concentrating on finishing and assembling a 9 mm. submachine gun under a patent which is controlled by the Beretta Munitions Works of Milan, Italy. Source asserted that all parts are shipped from Italy and are merely finished and assembled in the Dominican Republic.
2. Arms manufactured under the Beretta contract are reportedly for the exclusive use of the Dominican Republic for a period of five years and cannot be transferred to any other country. After the five-year period, the Dominican Republic will be free to dispose of the arms as it sees fit. It was source's opinion that the Beretta Company had this stipulation written into the purchase contract in order to protect itself in the event weapons produced by its machines eventually turn up in any other country.
3. Following a recent inspection of the arms plant in San Cristobal by the head of the Beretta Company, orders were given to step up production. The machines at San Cristobal currently produce between 600 and 900 submachine guns monthly. No other type of machinery can be used except that purchased from Beretta.
4. Beretta, who recently left the Dominican Republic for the United States, plans eventually to go to Argentina and make a similar arrangement for the manufacture of the Beretta patented arms in that country.
5. It was also reported that 75 mm. artillery pieces of a German patent will be finished and assembled under a similar arrangement. In addition 75 mm. shells will be finished and loaded at San Cristobal as soon as a shell-loading plant is erected. Source stated that the machinery to be used in manufacturing the guns has been obtained by the Dominican government from an unknown individual or group in Germany.
6. German technicians and mechanics have been recruited by Alexander Kovacs, General Director of the plant, to operate the machinery. Only a few pieces of machinery for this project have arrived at the plant from Germany and none of the German technicians have arrived as yet in the Dominican Republic.

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Director of Central Intelligence to the  
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NO CHANGE in Class.

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7. Kovacs planned to leave for Europe prior to 24 April 1949 on one of his periodic trips. Details of his plans are not known, but it is expected that he will recruit additional European workers and technicians at the Hotel Metropolitano in Geneva, Switzerland. Kovacs' secretary, who resides at this hotel, arranges for interviews between Kovacs and European applicants. Kovacs reportedly employs no screening process for his prospective employees, but is concerned only with their technical background and skill.
8. Kovacs' decision to leave for Europe followed closely on the heels of a visit to the Dominican Republic by Prince Charles Alfred of Liechtenstein. One of the points of interest visited by the Prince and his party during his tour was the San Cristobal arms plant. In the opinion of the source, the trip of Prince Charles Alfred and his group may have been for the purpose of eventually loaning money to the Dominican Republic to keep the San Cristobal plant in operation.

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